



Council Agenda Report

To: Mayor House and the Honorable Members of the City Council

Prepared by: Julia James, Administrative Services Director

Approved by: Katie Lichtig, Acting City Manager

Date prepared: November 8, 2002

Meeting date: December 9, 2002

Subject: Award of Community Development Block Grants for FY 2003-04

RECOMMENDED ACTION: Consider alternatives and award the Community Development Block Grant (CDBG) funds for public service programs in the 2003-2004 fiscal year.

FISCAL IMPACT: The City expects to receive a total allocation of \$87,165 in fiscal year 2003-04. Of that amount, \$13,074, or 15%, is available for public service programs.

DISCUSSION: The Community Development Commission has moved up its deadline for submission of CDBG grant awards for the 2003-04 fiscal year to January 1, 2003. The public service portion of the grant is what the City uses to fund eligible community service organizations that meet the HUD criteria of benefiting low and moderate income residents. During the past three fiscal years, HUD has increased the allocation of public service funds from the original amount of 15% to a revised amount of 25%. In fiscal year 2003-2004 the allocation will revert back to 15%, representing a total of \$13,074 for the City of Malibu. As discussed at the October 30, 2002 quarterly meeting, staff has sent a letter to HUD citing the City's disapproval of reducing the public service percentage.

Due to the difficulty staff has had in finding eligible organizations to participate in this program, the City Council last March awarded the 2002-03 CDBG funds to the two organizations that appeared eligible: The Malibu Community Labor

Exchange (\$13,791) and The Children's Lifesaving Foundation (\$8,000). It was later discovered that although The Children's Lifesaving Foundation provided a service to low and moderate income families, the majority did not reside in the Malibu area thus disqualifying that organization from receiving CDBG funds. Since the Labor Exchange had also received a General Fund grant in the amount of \$12,000, staff reallocated \$8,000 of those monies to The Children's Lifesaving Foundation and increased the CDBG allocation to the Labor Exchange by that same amount.

In order to avoid this same situation again, staff is recommending that the entire amount of available CDBG funds be awarded to the Labor Exchange in fiscal year 2003-04.

In addition to the Public Service Activities listed above, \$8,716 will be allocated to Program Management of the CDBG programs. City staff is working with the Community Development Commission (CDC) in a separate action to secure final authorization for the tenant improvements at the Senior Center.

ALTERNATIVE: Reallocate these funds to senior programs that would otherwise be funded in the General Fund budget.